



MAYOR BOB FOSTER

CITY OF LONG BEACH

October 23, 2013

The Honorable Mary D. Nichols, Chairman
California Air Resources Board
1001 "I" Street
Sacramento, CA 95812

Re: City of Long Beach Comments to Proposed Cap and Trade Regulation Amendments

Dear Chairman Nichols:

On behalf of the City of Long Beach, I write to comment on Cap and Trade Program changes that have been proposed by California Air Resources Board (CARB) staff, and described in the Initial Statement of Reasons (ISOR), released September 4, 2013. The City is supportive of the document, particularly proposed regulatory changes that exempt Waste-to-Energy and natural gas suppliers from the first compliance period. However, Long Beach is concerned and is requesting clarification of Waste-to-Energy language on page 29 of the ISOR.

Waste to Energy Exemption

The City appreciates the proposed exemption for Waste to Energy facilities from the first compliance period. This is consistent with CARB Board Resolutions 11-32 and 12-33. However, language on page 29 of the ISOR is inconsistent with the aforementioned resolutions, and inconsistent with proposed regulatory changes. This language would prevent a Waste to Energy facility's internal load, and potentially the entire Waste to Energy facility, from inclusion in the first compliance period exemption:

"In order to obtain the exemption, facilities must report and verify their emissions. In addition, the electricity must be placed on the California grid and not used to meet the facilities internal load."

While the City uses a small amount of the energy generated at SERRF to power the facility, the majority of electricity is placed on the California grid. Given this history, Long Beach requests an amendment to the language on page 29 to ensure consistency with proposed regulatory changes on page 96 of the ISOR. It is our preference that language read:

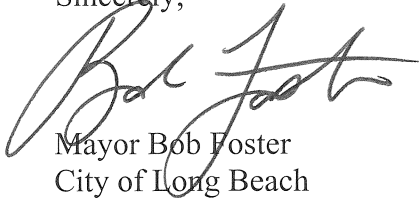
"In order to obtain the exemption, facilities must report and verify the emissions. ~~In addition the electricity must be placed on the California grid and not used to meet the facilities internal load.~~"

Natural Gas Exemption

The City Long Beach supports the proposed amendments to exempt natural gas suppliers from the first compliance period by providing new allowances to this industry. Such changes will allow the City to ease its small natural gas customers into a price signal that will promote greater reductions in GHG emissions on a gradual and market basis.

Thank you for taking the City's earlier comments into consideration on the Cap and Trade Program with the establishment of CARB's ISOR. Should you have any questions, please contact Tom Modica, Deputy City Manager at (562) 570-5091.

Sincerely,

A handwritten signature in black ink, appearing to read "Bob Foster", is written over the typed name and title.

Mayor Bob Foster
City of Long Beach